

V. BIDDING, CONTRACTING AND LABOR STANDARDS

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A. INTRODUCTION

Federal labor standards (also known as "Davis-Bacon") may apply to some of your CDBG-RLF projects. If federal labor standards apply, then federal wage rates will have to be paid to employees.

B. APPLICABILITY

The following are frequently asked questions and answers about the applicability of labor standards in housing programs.

QUESTION: Do Davis-Bacon wage rates ever apply to single-family home or duplex rehabilitation?

ANSWER: No.

QUESTION: Do Davis-Bacon wage rates ever apply to apartment rehabilitation?

ANSWER: Yes. They apply to rehabilitation and/or conversion work in mixed-use buildings and to rehabilitation work in apartment buildings that contain eight or more apartments.

QUESTION: What is a mixed-use building?

ANSWER: A mixed-use building is one that contains or will contain both residential and commercial or industrial uses after the rehabilitation/ conversion work is completed.

QUESTION: Is rehabilitation work in a mixed-use building ever exempt from Davis-Bacon wages?

ANSWER: Yes. If there are less than eight apartments in the building, and the rehabilitation work is confined to the interior of the apartment(s) or the areas common to the apartments only (e.g., residential hallways, stairways) Davis-Bacon wage rates will not apply. However, no work can be done on siding or utilities that serve the entire building in this case.

QUESTION: We have a ten-unit apartment building where the owner wants to do the rehabilitation work himself. Will this be covered?

ANSWER: Yes. Since there are more than seven apartments, Davis-Bacon regulations will apply. The owner must submit a payroll form showing how many hours a day, he works on the project, but need not show any wage information for himself. If he hires someone to help him for any of the work, that person must be paid Davis-Bacon wages. If he subcontracts any part of the work (e.g., plumbing or electrical) the contractor(s) must pay Davis-Bacon wages and file all the required reports.

QUESTION: Would the same rule apply to the owner of a mixed-use building working on his own apartments?

ANSWER: Yes.

QUESTION: We have an empty warehouse which the owner wants to convert to apartments. The building will be all residential when it is done. Will Davis-Bacon apply?

ANSWER: It depends on the number of apartments he will create. If there will be eight or more units, Davis-Bacon wages will apply. If there will be seven or less, they will not apply.

QUESTION: We have an eight-unit apartment, but only four units need rehabilitation. Will this be covered?

ANSWER: Yes. Coverage is determined by the number of units in the building, not by the number to be rehabbed.

QUESTION: Is a single-family dwelling containing a home occupation a mixed-use building?

ANSWER: Technically, yes. In practical terms, we do not consider it a mixed-use building unless there have been additions or permanent modifications to the building which make part of it useable only for the business purpose. A spare bedroom used as an office would not count. A beauty parlor added to the side of a home and useable only for that purpose would make the building a mixed-use building.

QUESTION: Our program includes purchasing vacant homes and duplexes and renovating them for resale. Will Davis-Bacon apply?

ANSWER: No, Davis-Bacon will not apply.

QUESTION: Part of our program includes renovation work on some Housing Authority-owned apartments in our community. Will this work be covered?

ANSWER: Yes. All work on Housing Authority-owned property is covered.

QUESTION: Where can we get the necessary forms and information for complying with Davis-Bacon regulations?

ANSWER: Please call Darlene Moss (608/266-7998), if you have questions regarding the applicability of labor standards to one of your projects.